



**Minutes of the Meeting of the Agri-Food and Biosciences Institute  
(AFBI) Board  
held at  
AFBI Hillsborough  
on Wednesday 25 August 2010 at 10.00 am**

**Present – Board Members**

Mr Sean Hogan, Chair  
Prof David McDowell, Deputy  
Chairperson  
Dr Michael Hollywood  
Mr James Noble  
Prof Stewart McNulty  
Mr Alan McKeown  
Mr Seamus McCaffrey  
Mrs Hilda Stewart  
Mr John Rankin  
Mr Michael Walker  
Mr Trevor Hinds

**In Attendance - AFBI Executive**

Dr Seamus Kennedy, CEO (Acting)  
Dr Michael Camlin, DCEO  
Dr David Bryson, DCEO (Acting)  
Mr Venkat Deshpande, Head of Finance  
Mr Paul Brennan, Head of Human Resources  
Mr Stephen Cousins, AFBI Secretariat

**1. Welcome and Introduction**

**Action**

The Chair welcomed all those present and expressed his appreciation on behalf of the Board to all those involved in arranging the meeting at AFBI Hillsborough.

**2. Apologies**

Apologies were received on behalf of Board members, Mr Kieran Campbell and Prof Grace Mulcahy. Apologies were also received from the Executive on behalf of Dr Arthur Gilmour, DCEO (Acting) and Mr Joel Ferguson, Head of Corporate Services Division (Acting) who was attending to other AFBI business.

**3. Conflict of Interests Declaration**

There were no “*Conflict of Interests*” declared.

**4. Draft Minutes of the Previous Board Meeting held on 23 June 2010**

In considering the draft minutes from the previous Board meeting, the Board asked for clarification in relation to Item 7.2.2, Establishing the Cost of the DARD Work Programme.

In response the Executive confirmed that it had arrived at the point in the costing exercise where all of the work programme had been identified and a cost attributed and the information has now been presented to DARD.

The Executive advised that prior to this costing exercise DARD would have had information relating to the cost of research and development projects but not for other aspects of the DARD work programme such as statutory, scientific advice etc.

In light of the clarification, it was proposed by Prof McNulty, seconded by Mrs Stewart that the minutes of the previous meeting be approved subject to the following amendment:

Item 7.2.2 – Establishing the Cost of the DARD Work Programme

First paragraph, second sentence, delete the word “*then*” and replace with the word “*better*”.

**5. Matters Arising/Action Points from previous Board Meeting held on 23 June 2010**

The Chair proceeded on the basis that any Action Points or Matters Arising from the previous Board meeting held on 23 June 2010 have been resolved or would be addressed during the course of the meeting except for:

**5.1 Draft Management Statement and Financial Memorandum (MSFM) – (Item 5.1 – Mins 26 05 10 and Item 5.1 - 23 06 10)**

Despite a number of reminders there has been no response from DARD in respect of a revised draft of the Management Statement and Financial Memorandum. However, the Executive did acknowledge that Sponsor Branch had been heavily involved in MoU and savings proposals work over the last number of months.

To assist in moving the matter forward the Board suggested that the Executive send DARD details of the proposed amendments to the existing MSFM and advise that this is AFBI’s current “*Modus Operandi*” until such times as a revised MSFM is agreed.

**Exec**

**5.2 Development of an AFBI Contact in the United States of America – (Item 5.2 – Mins 23 06 10)**

The Northern Ireland Bureau (NIB) have been reminded that AFBI are still awaiting sight of a working model and outline job description in respect of an AFBI presence in the USA.

The Executive advised that Mr Ferguson, Acting Head of AFBI Corporate Services Division was currently in the USA on AFBI business and

arrangements had been made for him to visit the NIB in Washington DC. **Action**

**5.3** Letter to HR Connect – (Item 5.3 – Mins 23 06 10)

A letter has been issued by the AFBI Chair, to Mr Wickens, Chief Executive Officer of the Shared Services Centre as agreed by the Board. However, both the Executive and the AFBI Board remain adamant that AFBI must consider alternative HR and Accounting systems as HR Connect and Account NI do not provide AFBI with the necessary tools to undertake these important functions.

In commenting on the issue of Shared Services, the Board accepted the views of the Executive and expressed its support for the actions being taken.

**5.4** Monthly Strategic Item – Science and Business Strategy – (Item 5.5 – Mins 23 06 10)

The Board accepted the need to remove this item from the agenda to permit time for a more in-depth discussion on the subject of strategic actions to meet savings in the DARD Grant-in-Aid.

**5.5** Rolling Database of Issues Raised at Board Meetings – (Item 11.1 – Mins 23 06 10)

The Executive informed the Board that it had received an indication from Sponsor Branch that DARD would not be considering a Business Case for a SAPO4 facility.

The Chair stated that he was not surprised by this response particularly in light of the current economic and financial climate. However, the Board suggested that the Executive should write to DARD expressing disappointment at DARD's decision not to support AFBI's case for a SAPO4 facility and underline the problems and difficulties this is likely to cause to DARD, the agri-food industry and Northern Ireland plc as a whole.

**Exec**

**6. Chairman's Business**

An application pack for the recruitment competition for a new Chief Executive Officer has now been finalised and the competition has been advertised with the closing date for applications being 7 September 2010.

A first sift of the applications is planned for early September and the Chair agreed that he would keep the Board updated on developments.

**Chair**

A query was raised regarding the details contained in the *candidate booklet*. The Executive agreed to check the publication to ensure that all of the information provided is consistent with the Board's approval.

**Exec**

## 7. Finance

## Action

### 7.1 AFBI Budget Monitoring Report – position at 31 July 2010

In presenting the AFBI Budget Monitoring Report for the month ending 31 July 2010, the Executive advised the Board that although challenging, at this point in time the budget is on track. However, the Executive acknowledged that invoicing of income for the year to date is behind target and the Acting CEO has issued a reminder to staff that all work must be invoiced promptly with the onus resting firmly on the Heads of Branch to ensure this is the case.

The Executive also reported that two major operational procedural improvements were introduced earlier this year -

- AFBI Senior Management Team now hold separate monthly finance meetings thereby enabling more time to be devoted to the monitoring of the budget.
- Preparations for the introduction of Divisional and Branch project based budget allocations and monitoring.

The Board were content to note the report from the Executive and again offered encouragement and support for the actions being implemented during this difficult period.

### 7.2 Update on Strategic Actions to meet savings in the DARD Grant-in-Aid

The Executive provided an update on the current position and confirmed that since the previous Board meeting DARD had asked AFBI to identify cumulative savings options up to and including the period 2014/15. As part of an information gathering exercise, DARD had requested AFBI to consider vacating the Loughgall site by March 2013.

In response, AFBI highlighted the impact that vacating the site would have on all the work programmes at Loughgall.

The Executive also advised that it had identified a number of areas where efficiency savings could be made and to further this process an AFBI *Rationalisation Group* has been established that will report directly to the AFBI Senior Management Team.

The Chair confirmed that both he and the Acting CEO have been working closely with DARD on the basis of a normal customer/contractor relationship but stated that he is no longer convinced that this is the case and as such advocated that AFBI, while continuing to support DARD strategy, should take the lead in determining its own future.

It was therefore proposed by Prof McNulty, seconded by Mr Hinds that the

Board form a Strategy Group to work with the Executive in engaging DARD, Strategic Investment Board (SIB) and other stakeholders with the aim of shaping the organisation in order to meet the future needs of AFBI and its customers.

**Action**  
**AFBI**  
**Board**

The Board and the Executive also agreed that this item - *Update on Strategic Actions to meet savings in the DARD Grant-in-Aid*, should be regarded as a key issue and be included on the agenda for future Board meetings.

**Sec**

## **8. Report from Remuneration Committee – Meeting held on 6 August 2010**

Prof McDowell gave a report on the meeting of the Remuneration Committee held on 6 August 2010.

Prof McDowell outlined that the purpose of the meeting was to consider, along with the Executive, a suite of documents that would support a Rewards to Staff Scheme Policy now that formal approval has been received from the Department of Finance and Personnel for the implementation of a Rewards to Staff Scheme.

In presenting the suite of documents including a “*Rewards to Staff Scheme-Rewards to Inventors Policy*” as well as an updated version of the “*Intellectual Property Policy and Procedures*” for Board approval, Prof McDowell informed the Board that the Executive have identified a number of technical issues in the underpinning documentation that require consideration before they are finalised and issued to staff.

In response it was proposed by Prof McNulty, seconded by Mr Walker that the Board approve the adoption of the documents in principle subject to further amendments by the Executive.

Following further discussion the Board also accepted that it was equally important that consideration be given to a Policy that would recognise significant staff achievements in work areas that did not have an intellectual property aspect. On a proposal from Prof McNulty, seconded by Mr McCaffrey it was agreed that the Remuneration Committee would proceed with the development of a Policy under the title of “*Rewards to Staff Scheme-Operational Innovations and Scientific Excellence*”.

**Rem**  
**Cmt**

The Executive reported that the People Strategy team looking at “Talent, Performance and Recognition” would also take this matter forward and present proposals for consideration.

**Exec**

## **9. Report from Audit Committee – Meeting held on 29 June 2010**

A report from the 17<sup>th</sup> meeting of the AFBI Audit Committee held on 29 June 2010 was presented to the AFBI Board by the Chair of the Audit Committee, Dr Hollywood.

The Board expressed its satisfaction once again at the work carried out by the Audit Committee on its behalf and the level of assurance that it provides to the AFBI Board.

**Action**

In commenting on the draft minutes from the meeting which accompanied the report, the Board referred to Item 10.3 *“Report on Budgetary Control and Management Information”*, and asked that the Acting CEO record a stronger rebuttal when providing an assurance that finance issues are a standing agenda item at monthly meetings of the AFBI Senior Management Team and the meetings are formally minuted.

**Exec**

The Board accepted the report.

#### **10. Establishment of an AFBI Board Finance Sub-Committee**

The Chair reported that a recommendation that the AFBI Board establish a Finance Sub-Committee had been referred to him by the Chair of the AFBI Audit Committee as the issue has been raised independently once again by AFBI's new Internal Auditors.

With reference to previous Board meetings, the Chair mentioned that this issue had been raised shortly after the creation of AFBI but decided not to pursue matters at that time.

However, in light of this recent recommendation the Chair was satisfied that the timing was now right and on a proposal from Mr Hinds, seconded by Mrs Stewart, the Board agreed in principle to accept the recommendation from AFBI Internal Audit, supported by the Audit Committee, that the AFBI Board consider the establishment of a Finance Sub-Committee.

As a follow-up, the Chair of the Audit Committee agreed that he would provide a draft Terms of Reference relating to the establishment of a Finance Sub-Committee suitable for AFBI.

**Chair  
Audit  
Cmt**

In terms of membership of a Finance Sub-Committee, the Board acknowledged the dearth of Board members who possess a financial qualification. However, the Chair informed the Board that DARD was in the process of appointing two new Board members who would commence their term of office on 1 April 2011 and these appointments may help to resolve this particular issue.

#### **11. AFBI People Strategy – Report from Team 2.1 Staff Engagement and Communications**

A Final Report dated June 2010 from AFBI People Strategy: Team 2.1 was circulated to the Board for noting and comment.

In presenting the report the Executive stated that it was impressed with the work carried out by Team 2.1 and the next step is to examine and prioritise the recommendations in more detail with the aim of establishing

various working groups to oversee an implementation plan. **Action**

In welcoming the report and the comments from the Executive, the Chair asked Board members to consider the findings and respond to the Acting CEO's request for comments. **AFBI Board**

At the request of the Board, the Chair also agreed that he would write to the Team members thanking them for their contribution. **Chair**

## **12. Governance Issues**

### **12.1 AFBI Risk Management**

#### **12.1.1 *Review of AFBI's Risk Management Processes***

The Executive advised that it had requested AFBI Internal Audit to undertake a review of AFBI's current Risk Management processes and the Executive is hopeful that a report from AFBI Internal Audit will be ready in time for presentation at the next meeting of the Audit Committee to be held on 28 September 2010.

#### **12.1.2 *New Risks***

The Executive informed the Board of the emergence of a new risk to the Institute centring on the issue of laboratory test accreditation.

Following discussion, the Board agreed that it was happy with the extensive range of third party ISO/IEC 17025 accreditation held by AFBI and acknowledged that it is common for an official laboratory to hold a suite of accreditation that is sufficient for its purpose but does not cover the entire area of its work. The Executive expressed its confidence to the Board that all of AFBI's testing activities are fit for purpose and carried out to the same high standard underpinned by its ISO/IEC 17025 accredited quality system. In this and its proximity to required services, AFBI represents value for money. In the present climate the significant financial cost of any extension of accreditation would need to be looked at very carefully.

### **12.2 Whistleblowing and Fraud**

The Board were informed that there were no new reports of whistleblowing or fraud.

In respect of a case of alleged research misconduct, that was reported to the Board at its meeting on 26 May 2010, the Executive confirmed that an investigation had been carried out under the terms of AFBI's Research Misconduct Policy, and had found that there was no evidence to substantiate the claim. The complainant had been informed accordingly.

### **12.3    Health and Safety**

### **Action**

The Board were informed that there were no health and safety incidents to report.

The Chair also took the opportunity to remind Board members that Health and Safety training sessions for Board members and the Executive would commence following today's meeting with a further session taking place following the September meeting on 29 September 2010.

## **13.    Any Other Business**

### **13.1    Rolling Database of Issues Raised at Board Meetings**

The Board noted the details contained in the Rolling Database of Issues Raised at Board Meetings and signified that it was content.

### **13.2    Contact between AFBI and LGC (formerly Laboratory of the Government Chemist)**

A group of AFBI staff, including the acting CEO, had recently visited LGC (London), formerly the Laboratory of the Government Chemist, an organisation that was within Government until 1996 when it was privatised. Although there was no suggestion that AFBI should adopt a similar course of action, there are lessons that AFBI could learn from LGC's journey along that route and areas of synergy between both organisations. To that end, the visit to LGC had been very useful.

### **13.3    Institute of Food Science and Technology (IFST)**

The IFST is the professional body representing over 3,000 food scientists in the UK and overseas. The Board was asked to note that a member of AFBI staff, Dr Margaret Patterson, is currently a Vice-President of IFST and a member of the AFBI Board, Mr Michael Walker, is currently Chair of the Northern Ireland Branch. Both are very keen to encourage AFBI scientists to benefit from the networking and professional support that membership of the IFST can bring. A meeting of the IFST has been organised for Thursday 16 September 2010 that AFBI has kindly agreed to host, when the new Chief Executive of IFST, Mr Jon Poole will describe the modernisation process IFST is undertaking. AFBI Board members are invited to attend.

**14. Date of Next Meeting**

The next regular monthly meeting of the AFBI Board will be held on Wednesday 29 September 2010.

Signed: \_\_\_\_\_  
(Chairperson)

Date: \_\_\_\_\_